

This is a supplement to the 2014 TAEP Cost Share Application booklet.

It is intended to assist producers with completing Producer Diversification Application B and proposal.

1. APPLICANT INFORMATION

Taxpayer ID Information

Enter your preferred taxpayer identification number (social security number or federal tax identification number) – please list only one.

- ✓ This number must match the tax number listed on your Substitute W-9 form.
- ✓ This number is NOT your TN agricultural sales tax exempt number. For information on obtaining your TN agricultural sales and use tax certificate of exemption, contact TN Dept. of Revenue by calling 1-800-342-1003, emailing Tn.Revenue@tn.gov or visiting www.tn.gov/revenue.

Name

Enter your full legal name. If you are more commonly known by a nickname, please indicate it in parentheses (nickname) next to your legal name. Indicate your title and any suffix you may have.

- ✓ The name you list on Application B must match the name you list on your Substitute W-9 form. Applicant name must match name on educational certifications, permits, premises registration, and property records, where required for eligibility.

Mailing Address

Enter the address where you receive your mail. TAEP documentation will be sent to this address. This address may be different than your home or farm address.

- ✓ This mailing address must match the address you list on your Substitute W-9 form.

Residential Address

Enter the address where you live. This address may be the same as your mailing or farm address.

Home Phone

Enter number, including area code.

Cell Phone

Enter number, including area code.

E-mail Address

Please print clearly.

2. FARM/PREMISES INFORMATION

- ❖ Applicants with livestock must register their premises with the Tennessee Department of Agriculture (TDA). Applicant name must match contact name (primary or alternate) listed on premises account to be eligible.
- ❖ The premises account number is tied to the individual; the premises ID number is tied to the farm address.
- ❖ An individual can have multiple premises ID numbers if they have multiple farm locations.
- ❖ Premises registration forms and instructions are available from TDA by calling (615) 837-5120 or by visiting www.tn.gov/agriculture/regulatory/livestock.html.
- ❖ **If applicant does not have livestock on their operation, list farm address and indicate property ownership only.**

Farm Address

Enter the physical address of the farm where your project will be.

- ✓ The premises ID address must match the farm address listed on the application. If you are applying for more than one program and have multiple premises ID numbers/farm addresses, please indicate which ID/farm address will be used for each program.

Farm County

Indicate the county where your farm is located.

Premises Account Number

Enter your premises account number.

Premises ID Number

Enter your unique 7-character alphanumeric identification.

Property Ownership

Indicate whether the farm property address is owned by you (applicant), a member of your immediate family or leased. If property is family owned, list name of legal property owner in field where indicated.

- ✓ Applicant or member of the applicant's immediate family must own land where permanent structures will be built.
- ✓ Applicants may only submit one Application B per premises or property, per family owned land, per household, per business, per application period. Livestock Equipment and Genetics projects can be located on leased land.
Immediate family members include: spouse; children; parents; siblings; grandparents; grandchildren; great grandparents; and spouse's children, parents, siblings, grandparents, grandchildren, great grandparents.

3. INDUSTRY SECTOR

Indicate sector(s) that apply to your cost share project(s).

4. MASTER PRODUCER

Indicate if you meet or plan to meet requirements for 50% cost share. Check the appropriate box.

Each industry sector has an opportunity to receive 50% cost share. Events or certifications that qualify are listed below.

A full list of eligible events with locations is available in each sector criteria sheet at www.tn.gov/taep. Use the Producer Program button and follow the links to the Producer Diversification page and find your appropriate sector(s). These are updated as new events are scheduled.

Visit the Producer Diversification Course Calendar, www.tn.gov/agriculture/enhancement/prod_divers.shtml, to view upcoming courses that will apply towards specific sector special requirements.

- Applicants must attend certain events related to their operation or obtain required certification
- Applicants must have participated in events from 2012-2015
- All certifications must be completed by the applicant prior to the program reimbursement deadline
- **Agritourism** – applicant must have attended two events from the list below.
 - Tennessee Agritourism Conference **or** North American Farm Direct Marketing Association (NAFDMA) – must attend (1)
 - Sector eligible educational course – must attend (1)
- **Fruits and Vegetables** – Applicants must have attended two events from the list below.
 - Option 1**
 - Fruits and Vegetable Producers
 - Tennessee Horticultural Expo – must attend
 - Sector eligible educational course – must attend (1)
 - Option 2**
 - Good Agricultural Practices
 - Must have GAP certification and current letter of compliance at time of reimbursement.
- **Honey Bees** – applicant must complete the UT BeeMaster Program prior to reimbursement deadline.
- **Horticulture** – applicant must complete the UT Master Nursery Producer Program prior to reimbursement deadline.
- **Organics** – applicant must be USDA certified or working towards certification to qualify. Applicant must be certified Organic (certificate and current letter of compliance) at time of reimbursement.
- **Value-Added Products** – applicant must complete the two events listed below.
 - Option 1**
 - Value-Added Producers
 - Sector eligible educational courses – must attend (2)
 - Option 2**
 - Value-Added Farm Fresh Meat Producer
 - Value-Added Farm Fresh Meat eligible course – must attend (1)
 - Sector eligible educational course – must attend (1)

5. APPLICATION PROPOSAL

IMPORTANT:

- *It is strongly recommended to submit your application proposal and budget using the format outline presented below in the 2014 Proposal Writing Guidelines.*
 - *Applicants are encouraged to request an electronic copy of the proposal questionnaire template to use in preparing their submission. Email your request for a template to Producer.Diversification@tn.gov.*
 - *TDA staff cannot review proposals prior to submission. www.tn.gov/taep Page 23 of 28*
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PROPOSAL INSTRUCTIONS

- *The proposal and budget must be typed in requested format. The proposal must be in your OWN words.*
 - *Applications will be evaluated on a competitive basis by industry sector according to each individual project. Projects are identified primarily by the sector in which they are eligible (see page 3). TDA staff will conduct application reviews.*
 - *Only applications that are complete and include sufficient information will be considered for evaluation.*
 - *The application must merit financial support, clearly state objectives, provide a sound work plan and prove applicant expertise necessary to successfully complete the project(s).*
 - *An on-site visit or meeting may be required as part of the evaluation process.*
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1) Describe the agricultural operation that you are requesting cost share for:

a. What sector do you consider your operation?

List the industry sector that you are primarily involved in: e.g. Agritourism, Organics, etc.

b. How many years have you been in business?

If you have not been involved in a sector for one year or more, list the amount of time involved in months.

c. Number of employees with this operation (include full, part-time, seasonal, volunteers)

List the number of paid employees first. If this is a family business that many family members are involved in but may not be paid employees, please list the number of those individuals separately.

d. Number of acreage in production?

e. How many years of experience have you achieved with this sector?

f. If Honey Bee production:

Number of hives and years of experience?

g. Sales income from this operation for the past 3 years.

List separately for the following years: 2011 – 2012 – 2013 the income generated from the agricultural operation you are requesting cost share for.

h. Sales income from other products/services/events from this operation for the past 3 years.

List separately for the following years: 2011 – 2012 – 2013 the income generated from other products/services/events that may be sourced off-farm for resale or services that may be provided on the farm (e.g. Income from an on-farm store, Agritourism event, secondary sectors).

i. Describe your operation, the services it provides and how it reflects your income.

j. Describe the current facilities of your operation – e.g. existing structures, parking, restrooms, flooring, lighting, climate control, handicap accessibility, permanent signage etc.

k. List the types and amounts of products produced.

List any products that were part of your business in the past and what you are currently producing.

l. Explain any expansions and/or downsizing – past, present, future.

m. Briefly describe the goals you have for this operation – short and long term.

2) Describe any other agricultural operations that you currently are involved with – Mark if not applicable

a. What is the industry/type of business?

Cattle, dairy, tobacco, crops, etc.

b. How many years have you been in business?

c. Number of employees with this operation.

List the number of paid employees first. If this is a family business that many family members are involved but may not be paid employees, please list the number of those individuals separately.

d. Number of acreage in production.

e. Sales income from the operation—based on sales for the past 3 years.

List separately for the following years: 2011 – 2012 – 2013 the income generated from production agriculture crops and/or livestock raised on your farm.

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f. Sales income from other products/services/events from this operation for the past 3 years.

List separately for the following years: 2011 – 2012 – 2013 the income generated from other products/services/events that may be sourced off farm for resale or services that may be provided on the farm (e.g. Income from an on-farm store, Agritourism event, secondary sectors).

g. Describe your operation, the services it provides and how it reflects your income.

h. List the types and amounts of products produced.

List any products that were part of your business in the past and what you are currently producing.

i. Explain any expansions and/or downsizing – past, present, future.

3) Indicate if you have applied for TAEP cost share previously.

TAEP HISTORY				
Fiscal Year Applied	Program	Brief Project Description	Approval Status	\$ Allocated/\$ Paid
FY11-12 (2011)	Producer Diversification	Greenhouse	Approved	\$ 5,600 / \$ 5,485
FY13-14 (2013)	Producer Diversification & Genetics	Irrigation lines for vegetable production and bull semen	Approved for both	\$3,000 \$1,200

4) Describe the proposed cost share project(s) for this fiscal year.

Proposed activities for cost share must demonstrate significant potential for increasing farm income through the improvement or expansion of farm or agribusiness operations involving the production of diversified agricultural products.

In addition, proposed activities must:

- Be market driven and have a viable marketing plan*
- Establish something new, not maintain on-going projects*
- Meet all state and local food safety and regulatory requirements*
- Produce long term benefits for the farm*

a. List each proposed project(s) in detail.

Include what the proposed project is and what products or services will be provided using that project.

- b. Explain how each project (separately) will improve or expand your operation.

Explanation must provide adequate detail as to how the project will increase your operation's ability to generate income.

- c. List the projected increase in annual income generated for the next three years – 2015 – 2016 – 2017 as a result of your project(s).

The projected increase is the amount that you expect income to increase as a result of that project specifically. Do not list the projected total income from your entire operation.

- d. Is this projected income feasible enough to justify the total project cost? Please explain.

- e. Indicate whether you had any help in planning this project from your county extension agent, industry expert, specialized group or association etc.

- f. In a month to month time line, outline "realistic" steps required for completing your project(s) by the program deadline May 1, 2015.

E.g. September – purchase greenhouse materials / October – materials delivered / March – concrete slab poured then construct greenhouse / April – completed project.

5) Summarize your marketing plan for your diversified agricultural products.

- a) Explain how and where your products are currently being sold or will be sold.

List different outlets where your products are sold (wholesale, retail farm stand, farmers markets, etc).

- b) Specify all marketing activities that are currently utilized in your operation.

Indicate how your business is promoted to the public. Elaborate on specific activities that you utilize in your promotions.

E.g. auctions/organized sales, brochures, websites, radio, television, flyers, banners, e-commerce, print media, social media, etc.

- c) Describe your competitive advantage over similar operations and what sets aside your product/service from other local or regional competitors.

This is an important business concept. Explain why customers buy your product. Is it because of your service, convenience, price, product differentiation, or other?

6) Provide a detailed, line-item budget for each proposed project using the format presented below.

- Research all costs associated with project(s).
- List each item and its cost on a separate line. Provide the source of the cost quote with complete contact information and written cost estimate for all materials needed for each project.

TAEP 2014 - APPLICATION B – General Instructions and Proposal Guide

- All projects will be required to provide cost quotes/estimates. Labor must be separated from materials cost.
- Labor: Labor is only eligible for infrastructure projects. In order to be eligible for cost share reimbursement, labor must be quoted and performed by a contractor. Labor is not eligible for reimbursement if performed by the applicant, their employees, or any individual that participates in running the operation.
- The total amount of cost share requested cannot exceed the maximum of \$10,000 (35%) or \$15,000 (50%).
- Present your line-item budget using example formats below.

BUDGET TABLE – Example 1						
Project Sector	Qty.	Item Description	Source of Cost Quote	Cost	Cost Share %	Request
Agritourism	1	Educational pavilion 30'x45'	JR Construction	\$20,500	50%	\$10,250
Agritourism	15	Hand washing stations	Rub a Dub Co	\$4,000	50\$	\$2,000
Total Amount of Cost Share Requested:						\$12,250

BUDGET TABLE – Example 2						
Project Sector	Qty.	Item Description	Source of Cost Quote	Cost	Cost Share %	Request
Fruits & Vegetable	300	Peach tree liners	Mr. Georgia's Pristine Peaches	\$9,000	50%	\$4,500
Value-Added Products	1	Fruit press	Jacto Inc	\$2,500	50\$	\$1,250
Total Amount of Cost Share Requested:						\$5,750

7) If requesting 50% cost share indicate what special requirements (for each sector project applied for) you have met since 2012 and what you plan to attend before reimbursement deadline (May 1, 2015). Refer to individual sector sheets to determine what special requirements must be completed for 50% cost share eligibility. Present your special requirements using this table format.

SPECIAL REQUIREMENTS – 50%			
Project Sector	Course/Event Title	Date	Location
Fruits & Vegetable	TN Horticultural Expo	1-30-2014	Nashville, TN
Fruits & Vegetable	FM Bootcamp	3-6-2014	Harriman, TN

8) Attach legible written cost estimates from each vendor/supplier. Estimates must include complete contact information (name, address, phone number, and business logo/name).

Please note that these estimates and quotes must be unpaid. Any proposed projects paid for prior to June 1, 2014 are not eligible. Used equipment, used materials and leased equipment are not eligible.

6. APPLICANT AGREEMENT

This section features several important bullet points regarding program participation. Read each line of text. Print your name and date. Sign your name.

7. HOW TO SUBMIT “APPLICATION B”

- Fill in all blanks and check appropriate boxes where requested.
- **Attach application proposal and cost quotes.**
- **Attach Substitute W-9 form (page 20).**
- NO FAXES OR EMAILS ACCEPTED - Applications are only accepted by mail or hand delivery.
- Applications must be postmarked June 1-7, 2014 or hand delivered during the same period.
- Applications received before or after the application period are ineligible.
- Applicants may only submit one Application B per premises or property, per household, per business, per application period.
- Application B (Producer Diversification) cost share requests are evaluated on a competitive basis by industry sector.
- Only applications that are complete and include sufficient information will be considered for evaluation.

Hand Delivery

Applications may be hand delivered to the TAEP office, which is located in the Holeman Building at the Ellington Agricultural Center. Include application form, proposal, cost quotes, and Substitute W-9 Form (pg. 20). The physical address is: 442 Hogan Rd., Nashville, TN 37220

Mail

Send Application B, along with application proposal, cost quotes, and Substitute W-9 Form (pg. 20) to:

TN Dept of Agriculture,
Attn: TAEP 2012-B
P.O. Box 40627
Nashville, TN 37204

Online

The 2014 TAEP Online Application B will be available June 1–7, 2014.

During the application period go to www.tn.gov/taep, scroll down to the TAEP Online section and click on the TAEP Online link.

Approval Notifications

Applicants will be notified in writing of approval or denial. Allow twelve weeks for application processing.

SUBSTITUTE W-9 FORM (Page 20)

This form is used to obtain the applicant's taxpayer identification number and certification. Submit this form along with Application B.

- ✓ **Funds received as a result of TAEP reimbursement are taxable. Participants will receive Form 1099-G for payments over \$600.00.**

1. General Information: Enter your legal name. Enter your mailing address. Reimbursement checks will be mailed to this address. *Mailing address should match mailing address provided on Application B.*

2. Circle the most appropriate category below: Complete only one.

3. Fill in your taxpayer identification number below: Complete only one. *Taxpayer identification number should match number provided on Application B.*

4. Sign and date the form: Signature must match taxpayer name listed above.

New in 2014! Producer Diversification – Application B TAEP ONLINE

TAEP Online is an account management system that allows producers participating in TAEP to view information about their account.

Participants can view their history, make contact updates, and see current status of application and reimbursements.

If you have not participated in TAEP previously, you will not have an online account but you will be able to apply online during the application period.

Participation in TAEP Online is not mandatory.

Accessing your TAEP Online Account

In order to access your TAEP Online account, you will need a current email address, your TAEP ID number, and your premises account number.

If you have not received your TAEP ID number, email taep.online@tn.gov to request a number. Include your name, address and premises account number in the email. The last date to request a TAEP ID number for the 2014 application period is May 30, 2014.

Application B - Applying Online

How to Apply Online

- Visit www.tn.gov/taep during application period
- Click on the TAEP Online link
- Click on the 2014 TAEP Application B link
- Follow submission instructions and print a copy of your application
- Please note that a current email address is required

Preparing Application B Proposal for Online Submission

- Refer to above how to apply online.
- Complete the proposal instructions on pages 22-24 in advance.
 - Request an electronic copy of the proposal template to type in to by emailing producer.diversification@tn.gov.
 - Refer to page 25 of the Application B supplement for helpful resources
- Gather the history of your previous TAEP application submissions for all TAEP programs – *if applicable*.
- Gather all FY14-15 proposed project(s) research on how your operation can and will benefit.
- Have an electronic (scanned) copy of all cost quotes/estimates, pictures, drawings, diagrams, etc., saved and ready to be uploaded at the end of the application.
- Print a hard copy of the application when prompted, save for records.
- Use the more info link or click on the (?) help boxes that are available to you when applying online.

Electronic applications are not mandatory.

Tips before you start

- It is important to remember that:
 - Your application session will time out after three hour.
 - If you close the session without submitting your application, the information entered will not be saved. You can return to TAEP Online at any time during the application period to submit an application.
 - The red (*) indicates mandatory fields.
 - If you have questions regarding a field, click on the “More Info” link located next to that field.
 - Print a hard copy of your application when prompted.
 - You will receive an email confirmation when your application has been received. Be sure that you check your spam/junk mail folders if the confirmation is not in your in box.
- Please allow two to three hours to receive this confirmation
- Editing you application is not possible after submission
- Allow twelve (12) weeks for application processing
- Applicants will be notified in writing of approval or denial

All submissions are final.